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SUBJECT: COTE D'IVOIRE 2008 INVESTMENT CLIMATE STATEMENT

REF: SECSTATE 158802

1. OPENNESS TO FOREIGN INVESTMENT

Despite the ongoing political/economic crisis, the Ivorian government actively encourages foreign investment through mergers, acquisitions, joint ventures, takeovers, or startups. There are no significant limits on foreign investment nor are there generally differences in treatment of foreign and national investors, either in terms of the level of foreign ownership or sector of investment. The government does not screen investments and has no overall economic and industrial strategy that discriminates against foreign-owned firms. The investment code was designed to boost private sector investment and increase national production. The code includes incentives, such as tax breaks, for larger investments and for investments outside of Abidjan and other urban industrial areas. There is also a Petroleum Investment Code and a Mining Investment Code, which were revised to encourage foreign investment in these sectors by making investments in them eligible for exemption from income tax and other taxes, and exemption from the value added tax on equipment, materials and the first consignment of spare parts, except when there are equivalent products either made in Cote d'Ivoire or available in country at similar cost.

As part of the 2006 new tax schedule, the GOCI introduced, on August 26, 2006, fiscal measures to reduce company tax burden and stimulate economic activity. These measures include:

- The reduction of the corporate income tax from 35 to 27 percent, effective December 31, 2006
- The awarding of three-year corporate income tax exemption and free tax registration for the relocation of companies that left the country as a result of the crisis.

Cote d'Ivoire has an investment promotion center called CEPICI, (Centre des Promotion des Investissements en Cote d'Ivoire located at www.cepci.net), which provides investment information and assistance for entrepreneurs interested in starting a business or foreign enterprises interested in investing in Cote d'Ivoire. CEPICI provides a "one-stop-shop" for investors, an outreach program to match opportunities with potential investors, and a public-private liaison program. CEPICI also maintains a file of projects seeking foreign investment.

Foreign companies are free to invest and list on the regional stock exchange (BRVM), which is based in Abidjan and is dominated by Ivorian and French companies. With the inception of the regional exchange, the West African Economic and Monetary Union (WAEMU) members established the Regional Council for Savings and Investment, a regional securities regulatory body.

In past privatizations, such as for management of the Port of Abidjan and for management of the electric and water companies, well-entrenched French companies with extensive histories in Africa won, which led to allegations of corruption on the part of losing investors. Bids are not always made public, the government sometimes simply chooses from among companies that have proactively contacted it about an investment opportunity rather than proceeding through a

public bid process.

The government does not use tax, labor, environment, or health and safety laws to impede or distort investment. Well-entrenched foreign companies historically have formed relationships with GOCI officials, which frequently influence the awarding of tenders. There is no sector, however, where American investors have been formally refused the same treatment as other foreign investors.

There are some limitations on foreign investment worth noting. As a means to monitor foreign exchange flows, for example, the external finance and credit office of the Finance Ministry must approve investments from outside the West African Franc (FCFA) zone. Despite regulations designed to control land speculation, in urban areas, foreigners own significant amounts of land. Free-hold tenure outside of urban areas, despite land reform, is difficult and most businesses, including agribusinesses and forestry companies, opt for long-term leases.

There are sizable U.S. investments in offshore gas and oil exploration and production, petroleum product distribution, cocoa and coffee processing and shipping, as well as a more modest investment in banking. The petroleum sector will continue to grow in 2008, despite the global shortage of exploratory rigs. There is a need for oil-servicing companies, oil exploration equipment and for experienced ex-patriot engineers and rig managers.

The oil and gas sector has particularly grown, supported by the development of new offshore oil fields, a rising production and high oil prices. Oil has become Cote d'Ivoire's leading export product, outpacing traditional leader cocoa. Another area of commercial success is cellular phone service, which has seen the entry of a fourth mobile operator in June 2007 and a fifth operator has been announced; each company is largely financed by foreign capital. The cocoa sector still remains significant to the economy. It contributes up to 40 percent of export revenues and 20 percent of government fiscal revenues. Because of this sector's critical importance to the Ivorian economy, the government has expressed

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concern that foreign companies not dominate it. Although the government has liberalized the market, it de facto limits the amount of cocoa that large foreign exporters can purchase and process to approximately 23% of the total harvest via a prohibition of foreign companies approaching farmers outside of either government-licensed middlemen or co-operatives. The Ivorian government has also established several private and public control agencies to regulate the industry. After two years of disruptive strikes, in the fall of 2004, the Ivorian President established a "Blue Ribbon Commission" to review the coffee and cocoa sectors and recommend accelerated reforms. The commission's report, which was provided in May 2005, has still not yet been made public. In October 2007, in response to several public accusations of widespread malfeasance in the cocoa sector, Ivorian President ordered the public prosecutor to investigate the allegations, particularly those concerning embezzlement. The World Bank and IMF have continued their focus on the cocoa sector as a key economic bellwether and are pressing the Ivorian government commit to a package of specific reforms in this sector.

The World Bank, IMF and the African Development Bank resumed their financial operations and lending in Cote d'Ivoire in mid-2007 after an accord was reached with the government to pay a negotiated percentage of its outstanding arrears to the WB and AfDB. As a consequence of the agreement, the WB and IMF provided an immediate post-conflict assistance package and emergency budget support in an effort to assist the country cope with the financial demands associated with the process of ending the five-year long civil conflict.

12. CONVERSION AND TRANSFER POLICIES

Cote d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU), which uses the Franc CFA (FCFA), a convertible currency. The French Central Bank continues to hold the international reserves of WAEMU member states and maintains a fixed rate of 655.956 CFA to the Euro.

The WAEMU has unified foreign exchange regulations. Under these regulations, there are no restrictions for transfers within the community and designated commercial banks are able to approve routine foreign exchange transactions inside the community. The transfer abroad of the proceeds of liquidation of foreign direct investments no longer requires prior government approval.

Despite the ability to freely transfer funds within the WAEMU zone, when Ivorians and expatriate residents are traveling from Cote d'Ivoire to another WAEMU country, they must declare the amount of currency being carried out of the country. When traveling from Cote d'Ivoire to a destination other than another WAEMU country, Ivorians and expatriate residents are prohibited from carrying an amount of currency greater than equivalent of two million CFA francs (approximately \$4,000). Larger amounts require the approval of the Ministry of Finance, and must be in travelers or bank checks. The Government must grant prior permission for investments coming into the WAEMU zone from outside and routinely does so. Once an investment is established and documented, the Government regularly approves remittances of dividends and/or repatriation of capital. The same holds true for requests for other sorts of transactions -- e.g., imports, licenses, and royalty fees. Multi-national firms in Cote d'Ivoire have complained that temporary liquidity shortfalls sometimes occur in the banking system. These problems are particularly of concern during the main cocoa harvest when companies are trying to transfer large sums of money in and out as cocoa is purchased and exported. Companies continue to complain that the Government is slow in approving currency conversions.

13. EXPROPRIATION AND COMPENSATION

Cote d'Ivoire's public expropriation law includes compensation provisions similar to those in the United States. Historically, expropriation has not been an issue in Cote d'Ivoire and the Embassy is not aware of any cases of government expropriation of private property.

Private expropriation as a means to force settlement of contractual or investment disputes has continued to be a problem, particularly for American investors in recent years. Investors should be aware that local individuals or local companies using what appear to be spurious court decisions have challenged the ownership of some foreign companies in recent years. On occasion the Government has blocked the bank accounts of U.S. and other foreign companies because of ownership and tax disputes. Corruption in the judicial system and security services has resulted in poor enforcement of private property rights, even in the sensitive cocoa sector, particularly when the expropriated entity is foreign held and the expropriator is Ivorian or is a long-term French or Lebanese resident.

14. DISPUTE SETTLEMENT

The judicial system is dysfunctional and in need of reform. Enforcement of contract rights is often time-consuming and expensive as court cases move slowly. Judges sometimes fail to base their decisions on the legal or contractual merits of the case and tend to

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rule against foreign investors in favor of entrenched interests. In addition, cases are often endlessly postponed and appealed again and again, moving from court to court, in some cases for decades. It is widely believed that magistrates are sometimes subject to political or financial influence. As a partial defense, some investors stipulate in contracts that disputes must be settled through international commercial arbitration. However, even if stipulated in the contract, decisions reached through international arbitration, and even through arbitration in the African regional arbitration body, are sometimes not honored by local courts. Given that the average time from filing to resolution of a contract dispute is eight years, in 1999, the Government established an arbitration tribunal for businesses to settle commercial disputes without going to court. The arbitration court is supposed to provide alternative modes of conflict resolution including arbitration, conciliation, mediation and expertise.

In July 2004, the business community welcomed the expansion of the arbitration tribunal's mandate to include participation of local chambers of commerce. The business community was also pleased at the Board's ability to more quickly enforce awards. However, use of the Board, in lieu of the court system, has been limited: in the past seven years the Arbitration Board has heard only 51 cases (10 in 2006). In addition to its local arbitration board, Cote d'Ivoire is a member of the International Center for the Settlement of Investment Disputes. There is also the Abidjan-based, regional Joint Court of Justice and Arbitration as an alternative means of solving contractual disputes.

There is political consensus on the need to reform the judicial

system. However, in 2007, the Ivorian government remained preoccupied with the ongoing political crisis and judicial reform, like many other legislative initiatives, remained on the back burner. Reform efforts are likely to continue to languish until after the next presidential elections, tentatively scheduled for June 2008. Under the pending reform plans, the GOCI would dismantle the Supreme Court, and divide its authority among several independent institutions. The current Judicial Chamber of the Supreme Court would become the High Appeals Court (Cour de Cassation). It would handle civil, penal, social, and labor cases when it deems that a lower court did not adequately apply the law. The current Administrative Chamber of the Supreme Court would become the Council of State (Conseil d'Etat), which would hear cases involving the State or public authorities or cases against the Government. The current Account Chamber of the Supreme Court will become a separate and independent Account Court (Cour de Comptes), examining the accounts of the State and of local government, and hearing financial cases.

Further reform plans call for deciding more cases by three-judge panels, instead of by a single judge; publishing decisions more quickly; enhancing computerization in the court system; training judges in commercial law; and increasing the number of appeals courts to reduce the backlog of commercial cases.

Cote d'Ivoire has both commercial and bankruptcy laws that address liquidation of business liabilities. The Uniform Acts for the Organization and Harmonization of Business Law (OHADA) is a collection of uniform laws on bankruptcy, debt collections, and the rules governing business transactions. The OHADA permits three different types of bankruptcy liquidation: an ordered suspension of payment to permit a negotiated settlement, an ordered suspension of payment to permit restructuring of the company, similar to Chapter 11, and the complete liquidation of assets, similar to Chapter 7. Creditors' rights, irrespective of nationality, are protected equally by the Act. Monetary judgments devolving from a bankruptcy are usually paid out in local currency.

15. PERFORMANCE REQUIREMENTS AND INCENTIVES

Cote d'Ivoire does not maintain any regulations inconsistent with WTO Trade-Related Investment Measures (TRIMS). There are no general performance requirements applied to investments, nor does the Government or the investment authority generally place conditions on location, local content, equity ownership, import substitution, export requirements, host country employment, technology transfer, or local financing. Cellular telephone operating companies must meet technology and performance requirements to maintain their licenses. The Investment Code, the Petroleum Code, and the Mining Code define the incentives available to new investors in Cote d'Ivoire (see section A.1. above).

16. RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

Foreign investors generally have access to all forms of remunerative activity on terms equal to the terms enjoyed by Ivorians. The government encourages foreign investment in the privatization of state-owned and parastatal firms, though in most cases the state reserves an equity stake in the new company.

Under its previous IMF Poverty Reduction and Growth Facility, the government committed to privatizing 30 parastatal enterprises by the end of 2003. While some privatizations occurred, the government has yet to sell the majority of its shares in a major local bank, a

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cotton company, and sugar company, and its remaining shares in the telecommunications company. Plans to complete these privatizations are likely to remain on hold until after elections.

In January 2005, the Council of Ministers approved measures to liberalize the telecommunications sector, which had been postponed since February 2004. The legislation remains blocked by the fact that the National Assembly's mandate ended in 2005, however, and it is unlikely to be passed into law until a new National Assembly can be constituted with new elections. For the time being, the Ivorian regulatory agency continues to function under the authority granted to it by the 1995 telecommunications code. The new rules, as drafted, will end France Telecom's fixed-line monopoly through its subsidiary, Cote d'Ivoire Telecom. A new regulatory agency would also be created to manage the fully competitive market. Banks and insurance companies are subject to licensing requirements, but there are no restrictions aimed at limiting foreign ownership or

the establishment of subsidiaries of foreign companies in this sector. There are no restrictions on foreign investment in computer services, or education and training services. However, there are restrictions on foreign investment in the health sector, law and accounting firms, and travel agencies. Investments in these sectors are subject to prior approval, require association with an Ivorian partner(s), and appropriate licenses. Foreign companies operate successfully in all these service sectors.

17. PROTECTION OF PROPERTY RIGHTS

The Ivorian Civil Code protects the acquisition and disposition of intellectual property rights. Legal protection for intellectual property may fall short of TRIPS standards due to uneven law enforcement and the lack of custom checks in porous borders, which do not allow law enforcement action on trade of counterfeit products in the textile, pharmaceutical and vehicle parts areas. Cote d'Ivoire is a party to the Paris Convention, its 1958 revision, and the 1977 Bangui Agreement covering 16 Francophone African countries in the African Intellectual Property Organization (OAPI), which has been TRIPS compliant since 2002. Under OAPI, rights registered in one member country are valid for other member states. Patents are valid for ten years, with the possibility of two five-year extensions. Trademarks are valid for ten years and are renewable indefinitely. Copyrights are valid for 50 years.

In 2001, Ivorian experts drafted a new law in an effort to bring Cote d'Ivoire into conformity with TRIPS. The new law adds specific protection for computer programs, databases, and extension of author's rights with regard to rented films and videos. However, the National Assembly has not yet approved this legislation, and the legislation will not be approved until a new National Assembly is convened.

The government's Office of Industrial Property (OIPI) is charged with ensuring the protection of patents, trademarks, industrial designs, and commercial names. The office faces many challenges, including insufficient resources political will and the distraction of the ongoing political crisis. As a result, enforcement of IPR is largely ineffective. Foreign companies, especially from East and South Asia, flood the Ivorian market with all types of counterfeit goods. Despite enforcement difficulties, the government is working to strengthen IPR protection. In 2007, the Ministry of Industry, through the OIPI, issued a draft bill on protection of IPR at the border to provide legal provisions for addressing counterfeiting. The new bill would prohibit the entry and exit of goods infringing IPR by Customs. This will allow customs to detain the import and export of goods suspected of infringement, to investigate on the status of infringement of goods etc. Further, Cote d'Ivoire's law on mandatory registration of commercial names came into effect in February 2006.

The Ivorian Office of Author's Rights (BURIDA) put into effect a new sticker system in January 2004 to prevent counterfeiting and protect audio, video, literary and artistic property rights in music and computer programs. BURIDA's operations remain hampered by a long-running dispute between the management and the board over policy and leadership issues. To resolve the crisis at BURIDA, on March 15, 2006 the Minister of Culture took a ministerial bylaw to establish a temporary administration and a commission to study and propose a global reform of this organization. Since its establishment, the new administration has boosted its fight against audiovisual piracy including raids against retail outlets and street vendors of pirated CDs and DVDs and instituted legal proceedings against persons involved in fraudulent copying of audiovisual materials. Additionally, in 2007 BURIDA brokered an accord with the Ivorian music industry to reduce prices on locally produced CDs by 66 percent in an innovative effort to undercut IPR piracy. BURIDA runs regular programs promoting IPR enforcement with lawyers and magistrates.

Outside of urban areas, private individuals or entities usually cannot obtain freehold tenure because the traditional property rights of villages and ethnic groups prevent the land from being sold. In urban areas where land is not held as a "tenancy in common" by a tribal or village head but is considered to be owned

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individually, it can still be difficult to obtain a free-hold deed to a property even years after a closing. For that reason, most individuals and business tend to sign long-term leases. Although the legal system recognizes the right to contract for leaseholds in both

urban and rural areas, there is not a clear understanding by traditional tribal land-owners of property rights. This complicates the enforcement of property rights in rural areas. In addition, because free-hold tenure by individuals is not generally permitted in rural areas, would-be borrowers often have difficulty using real estate as collateral for loans. Even in urban settings, in general, the mortgage market is not well developed. As part of the legislative reforms mandated by the Linas-Marcoussis Peace agreement, in July 2004 the National Assembly adopted amendments to the law on rural-land ownership. This new law provides very limited free-hold ownership for rural lands, which had been traditionally held as a tenancy in common by villages. Rights are only protected, however, if the owner can document proof of ownership through an assignment deed or purchase contract.

18. TRANSPARENCY OF REGULATORY SYSTEM

The Government has taken some steps toward encouraging a more transparent and competitive economic environment. In addition, the IMF, World Bank, European Union, and other large donors have pushed the Government to take further steps towards reforms by placing conditions on future loans and grants. A centralized office of public bids in the Finance Ministry was designed to ensure compliance with international bidding practices by providing a neutral body to make bidding decisions in a transparent and objective fashion based on clear criteria. In 2005, the Ministry of Finance introduced institutional changes in the new public procurement code. They are:

- The decentralization of operational functions to make ministerial departments, local governments and other government structures accountable for the management of public resources

- The creation of consultative public procurement commissions in charge of examining extraordinary decisions

- The reinforcement of public procurement coordination through new regulations, training, procedural controls and more open and transparent communication with the interested public

- The establishment of an appeals mechanism

- The reinforcement of auditing in the public procurement process

In addition to the office of public bids, there is also an Inspector General's office and regulatory bodies for the liberalized electricity and telecommunications sectors. Customs and other officials can be obstructive for all businesses operating in Cote d'Ivoire.

In 1999, under pressure from the Bretton Woods institutions, the GOCI dissolved the cocoa and coffee marketing board and replaced it with a supposedly more market-oriented system regulated by several private and public institutions with producer, industry, and government representation. The results of the sector's liberalization are decidedly mixed. The new agencies tasked with the control and regulation of the sector have worked neither efficiently nor transparently and have become the subject of controversy regarding their fiduciary mismanagement. In the fall of 2004, the President bowed to pressure from the international community and the planters, and created a steering committee to review the coffee and cocoa sectors and recommend reforms. The Committee submitted its report to the President in 2005, but the results have not been made public. The World Bank and IMF are pressuring the government to institute further reforms to bring greater transparency to the sector.

The Finance Ministry has been known to change tax regimes overnight via ministerial decree, rather than working through the Council of Ministers and the National Assembly. The government sometimes levies large tax bills, which companies say have little basis in law or standard accounting practices. It then negotiates a lower bill with the company.

19. EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

Cote d'Ivoire commercial banking sector is sound, despite the closure of 50 bank branches in the Northern, Center and Western zones following the 2002 coup attempt that turned into an armed rebellion that effectively split the country in half (banks are slowly reopening in these regions).

Due to the financial risk associated with long-term loans because of the ongoing political/economic crisis, banks have shifted their emphasis to lending to the public sector, to the detriment of small and medium size enterprises. Banks continue to offer short-term loans, and generally make lending and investment decisions on business criteria. Portfolio investment is emerging. Government and private bond issuances are available for purchase by individuals or companies. The Regional Council for Savings Investments and

regulates the WAEMU securities exchanges market. Government policies generally encourage the free flow of capital. Aside from restrictions previously listed, there are no private sector or government efforts to restrict foreign investment, participation, or

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control of local industry. Credit for business expansion is difficult to obtain. The government relinquished its interest in smaller banks and retains only a small minority share in several large banks and outright ownership of one medium sized bank (BNI). At the end of 2006, total assets of the 18 banks and two credit institutions were FCFA 2.2 trillion (about USD 4.9 billion), an increase of 10.5 percent from 2005 figures.

Ivorian accounting systems are well developed and approach international norms. A WAEMU-wide accounting system, under which all member countries follow the same accounting rules, is firmly in place.

The FCFA exchange rate is pegged to the Euro at 655.957 FCFA to one Euro. As a consequence, the FCFA/USD rate fluctuates freely with the Euro/USD rate.

There is no evidence of "cross shareholding" and "stable shareholders" to restrict foreign investment through mergers and acquisitions in Cote d'Ivoire.

¶10. POLITICAL VIOLENCE

Politically motivated demonstrations and strikes by workers' unions in the health, education, transport, and cocoa sectors have occurred and could continue to be potential sources of civil disturbance in

¶2008. None of the protests have been directed against American or foreign businesses.

The after effects of the political violence in November 2004 are still being felt. Many of the more than 9,000 foreign nationals who fled have not returned, and many of the businesses that were destroyed by street mobs have not reopened. The Ivorian government has not made good on its promise to compensate victims of the violence. Businesses that remain are installing additional security measures to protect their property and staff.

¶11. CORRUPTION

Cote d'Ivoire signed the UN Anti-corruption Convention on December 10, 2003 but has not yet ratified it. The country is not a signatory to the OECD Convention on Combating Bribery. There are domestic laws and regulations to combat corruption but they are neither generally nor effectively enforced. Penalties can range from incarceration to payment of civil fines. State employees can be convicted of either passive or active corruption or bribery in the performance of their duties. The law also punishes state employees who receive directly or indirectly benefit from private or parastatal companies related to contracts, markets or financial payment under their purview. Managers of companies who are complicit in the corrupting act are treated as accomplices.

Racketeering by security and defense forces is often denounced in the media and constantly receives wide attention from the authorities and the population. In 2005, security forces and police officials launched media advertisements to stop corruption. The ads entitled "that's enough" focused on citizens as the corrupters. There was a loud outcry from civil society and the ads were quickly pulled off the air. Sporadic unrest in the country has led to an increase in the number of police, military and gendarme checkpoints on the roads, and consequently an increase in the solicitation of bribes at these checkpoints. Transport companies have been particularly hard hit. Trucks moving cargo from the western agricultural belt to Abidjan and between Abidjan and the rebel-controlled Northern region range pay a total of \$100 to \$400 at the various checkpoints they must pass through, depending on the cargo. There are several governmental entities in charge of fighting corruption: the General Secretariat in charge of good governance, including the Board of State General Inspectors, and the Finance Ministry's Inspector General's Office. None have been effective in stamping out this growing problem. Neither Transparency International, nor any regional or local non-governmental "watchdog" organization operates in Cote d'Ivoire.

Many U.S. companies view corruption as a major obstacle to investment in Cote d'Ivoire. Corruption has the greatest impact on judicial proceedings, contract awards, customs, and tax issues. It is common for judges to base their decisions on financial influence. Corruption and the ongoing political/economic crisis have affected the Ivorian government's ability to attract foreign investment.

Transparency International's 2006 "corruption perception index" has ranked Cote d'Ivoire 153rd of 163 countries. Businesses have reported corruption at every level of the civil service. Stamps, copies, and an official act to register a birth, death, automobile, carry a supplemental "commission." If the commission is refused, the application is not processed. The size of the commission varies with the cost of the service or investment. Some U.S. investors have raised specific concerns about the rule of law and the government's ability to provide equal protection under the law. A poor record in enforcing the rule of law was one reason cited for the country's loss of eligibility for benefits under the African Growth and Opportunity Act (AGOA) at the end of 2004.

In December 2007, the GOCI appointed the members of the country's financial intelligence unit, Cellule Nationale de Traitement des Informations Financieres-CENTIF, to fully comply with the WAEMU's directive of September 2002 on anti-money laundering and start

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operations about collecting data on suspicious financial transactions from financial bodies.

¶12. BILATERAL INVESTMENT AGREEMENTS

There are no bilateral investment or taxation treaties between Cote d'Ivoire and the U.S.

¶13. OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

OPIC insures several U.S. investments in Cote d'Ivoire although the overall exposure is relatively small. Since 1999, OPIC has not issued any new investment insurance policies in Cote d'Ivoire, and in 2003, OPIC withdrew its underwriting agreement for Cote d'Ivoire. The African Project Development Facility (APDF) and the African Investment Program of the International Finance Corporation (IFC) may assist investors now that its parent the World Bank is reengaged in Cote d'Ivoire. Cote d'Ivoire is a member of the Multilateral Investment Guarantee Agency (MIGA).

¶14. LABOR

The Constitution and the Labor Code grant all citizens, except members of the police and military, the right to form or join unions, and workers exercise these rights. Registration of a new union takes three months. Despite these protections, only a small percentage of the work force is actually organized, and most laborers work in the informal sector (i.e. small farms, small roadside stands, and urban workshops). Anti-union discrimination is prohibited. There have not been reports of anti-union discrimination, and as a consequence there have been no known prosecutions or convictions under this law. Unions were free to join international bodies, and the General Workers Union of Cote d'Ivoire (UGTCI) was affiliated with the International Confederation of Free Trade Unions. The Constitution additionally provides for collective bargaining, and the Labor Code grants all citizens, except members of the police and military services, the right to bargain collectively. Collective bargaining agreements were in effect in many major business enterprises and sectors of the civil service. In most cases in which wages were not established in direct negotiations between unions and employers, the Ministry of Employment and Civil Service established salaries by job categories. The Constitution and statutes provide for the right to strike, and the Government generally protects this right. However, the Labor Code requires a protracted series of negotiations and a six-day notification period before a strike may take place, making legal strikes difficult to organize.

On February 19, 2004, the Minister of Employment and Labor and the Minister of Economy and Finance signed a decree aimed at promoting national employment. This decree favors the employment of Ivorians in private enterprises. The decree states that any position to be filled must be advertised for two months. If after two months no qualified Ivorian is found, the employer is allowed to recruit a foreigner, provided that he informs the Administration of his plan for recruiting an Ivorian to fill the position in the next two years. The foreign employee must be given a labor contract and must have a visa "carte de sejour" that costs USD 300 (CFAF 150,000) for non-ECOWAS and USD 30 (CFAF 15,000) for ECOWAS citizens each year (the new rates of USD 600 for non ECOWAS and USD 70 For ECOWAS citizens adopted in June 2002 were never applied). Representatives of the West African Economic and Monetary Union harshly criticized the decree and claimed that it violated Article 91 of the West African Economic and Monetary Union Treaty, which permits the free

movement of persons for employment within the union. In response to the criticism, the Minister released a statement to the press indicating that the decree was a guideline, not an obligation, and that it was not meant to discriminate against West Africans seeking employment in Cote d'Ivoire. On November 8, 2007, Ivorian President Gbagbo signed a decree permanently suspending the "carte de sejour" requirement for ECOWAS citizens.

¶15. FOREIGN-TRADE ZONES/FREE PORTS

There are no free trade zones in Cote d'Ivoire. In August 2004, the Ivorian government adopted a plan to create free trade zones for information technology and for biotechnology. This project is dormant. Another free trade zone project, which was planned for the port of San Pedro, also remains dormant. Bonded warehouses do exist, and bonded zones within factories are allowed. High port costs and maritime freight rates have inhibited the development of in-bond manufacturing or processing, and there are consequently no general foreign trade zones.

¶16. FOREIGN DIRECT INVESTMENT STATISTICS:

Foreign Direct Investment inflow by Sector, 2007(USD)

Sectors	Investment	Percentage
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Food	67,191,977	9.67%
Mechanic, Iron & Steel Industry	45,350	0.01%
Health	1,974,624	0.28%
Tourism & Hotel	306,385	0.04%

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Communications	341,386	0.05%
Fishing	2,686,820	0.39%
Telecommunications	461,796,648	66.47%
Trade	1,287,970	0.19%
Service	73,131,050	10.53%
Training	143,756	0.02%
Plastics	253,483	0.04%
Chemical	236,556	0.03%
Wood	432,531	0.06%
Transport	14,804,602	2.13%
Mining	7,140,847	1.03%
Oil & Gas	11,040,375	1.59%
Other Energies	48,998,138	7.05%
Cosmetics	1,389,803	0.20%
Breeding	39,748	0.01%
Paper Industry	1,464,538	0.21%
Other Industries	15,962	0.00%
Total	694,722,549	100.00%

Source: Ivoirian Investment Promotion Authority (CEPICI). Average exchange rate CFAF 478 per one USD.

Foreign Direct Investment inflow by Country of Origin, 2007(USD)

Countries	Investment	Percentage
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Norway	1,445,533	16%
Lebanon	4,973,737	54%
Israel	101,118	1%
China	2,686,820	29%
TOTAL	9,207,208	100.00%

Source: CEPICI. Table does not represent all the flow investments by origin.

Average exchange rate CFAF 478 per one USD.

*CEPICI does not include investment from resident Lebanese in FDI figures

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